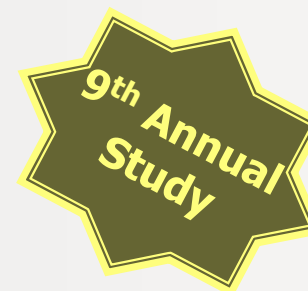




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Clive IA 50325
(515) 273-5140

2007 Iowa Employer Benefits Study[©]



**Legislative Commission on Affordable Health Care
Plans for Small Businesses and Families**

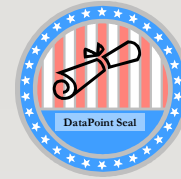
September 19, 2007

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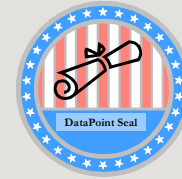
Seal Of Approval



“ The figures reported here are tabulated from a statistically valid research study of a scientifically representative sample of Iowa employers. This study conforms to the highest methodological standards. Detailed information about the methodological aspects of this project are available from Data Point Research, Inc. ”

Data Point Research, Inc

Seal Of Approval

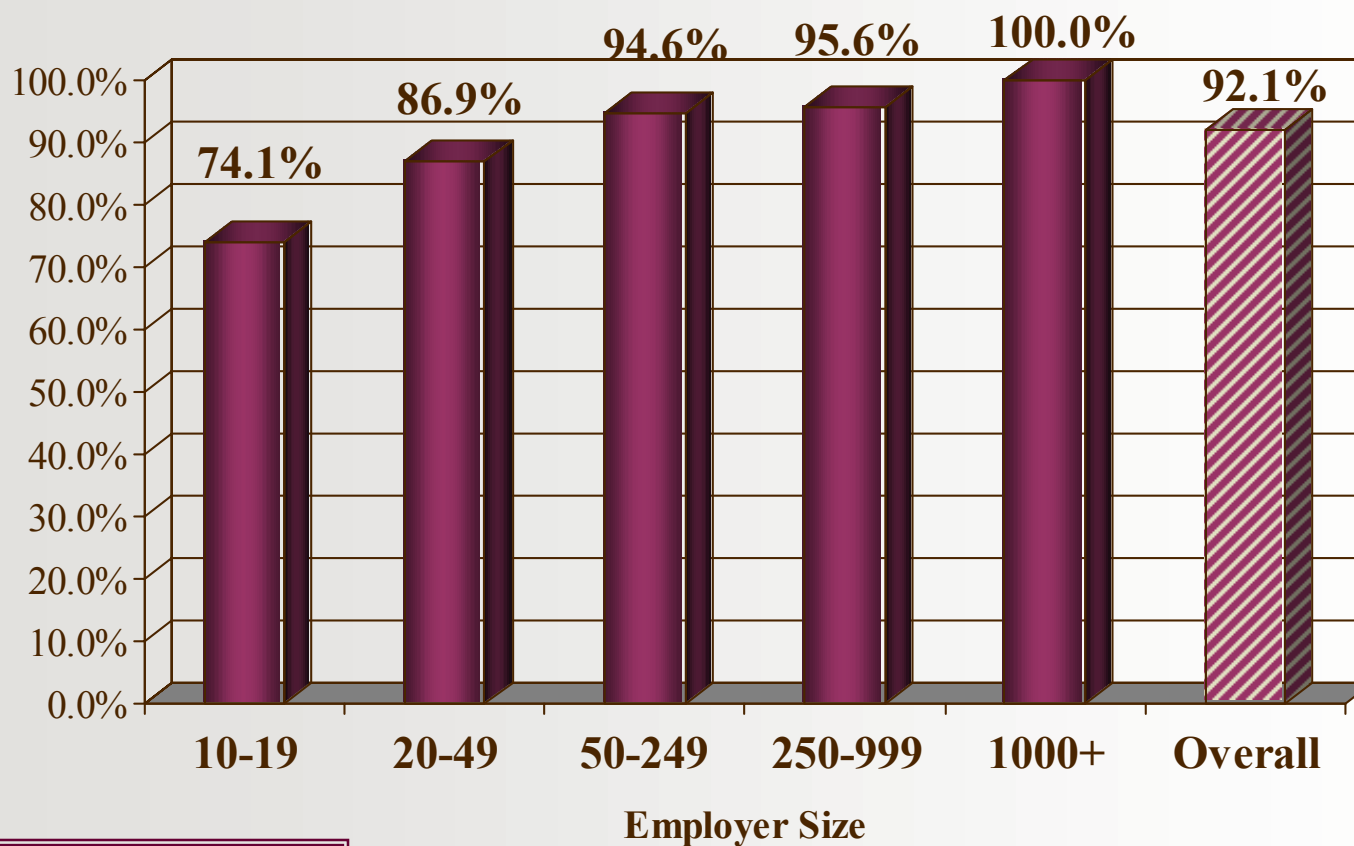


“ The response rate of this study is 43.3 percent – 819 Iowa employers responded. For the overall sample, the employee-size weighted percentages are all accurate to within plus or minus 3.3 percent, at a 95 percent confidence level. ”

Data Point Research, Inc

Health Insurance in Iowa

Employers Offering Health Insurance Benefits



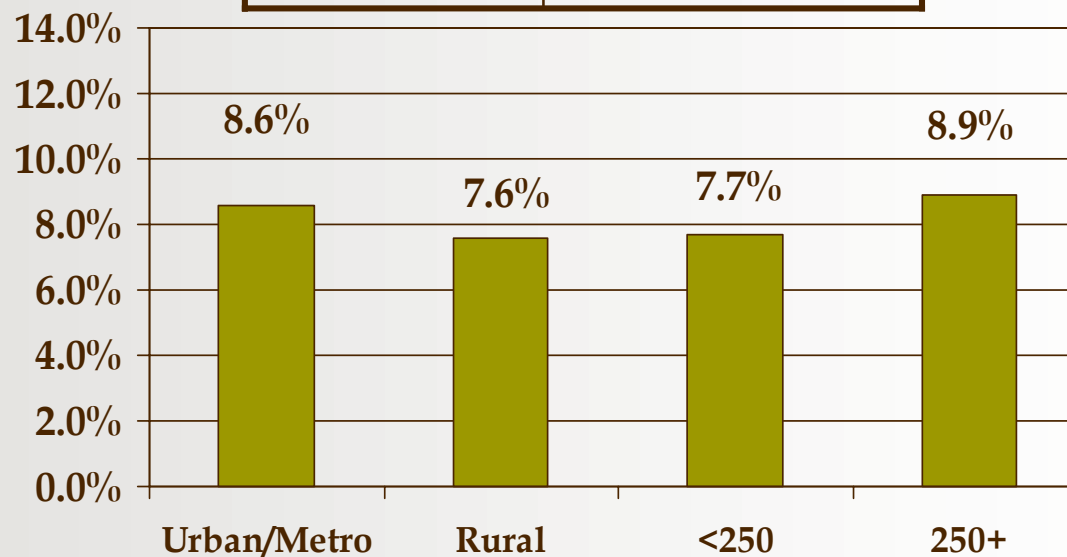
All Industries

Average Health Insurance Rate Increases Reported in 2007

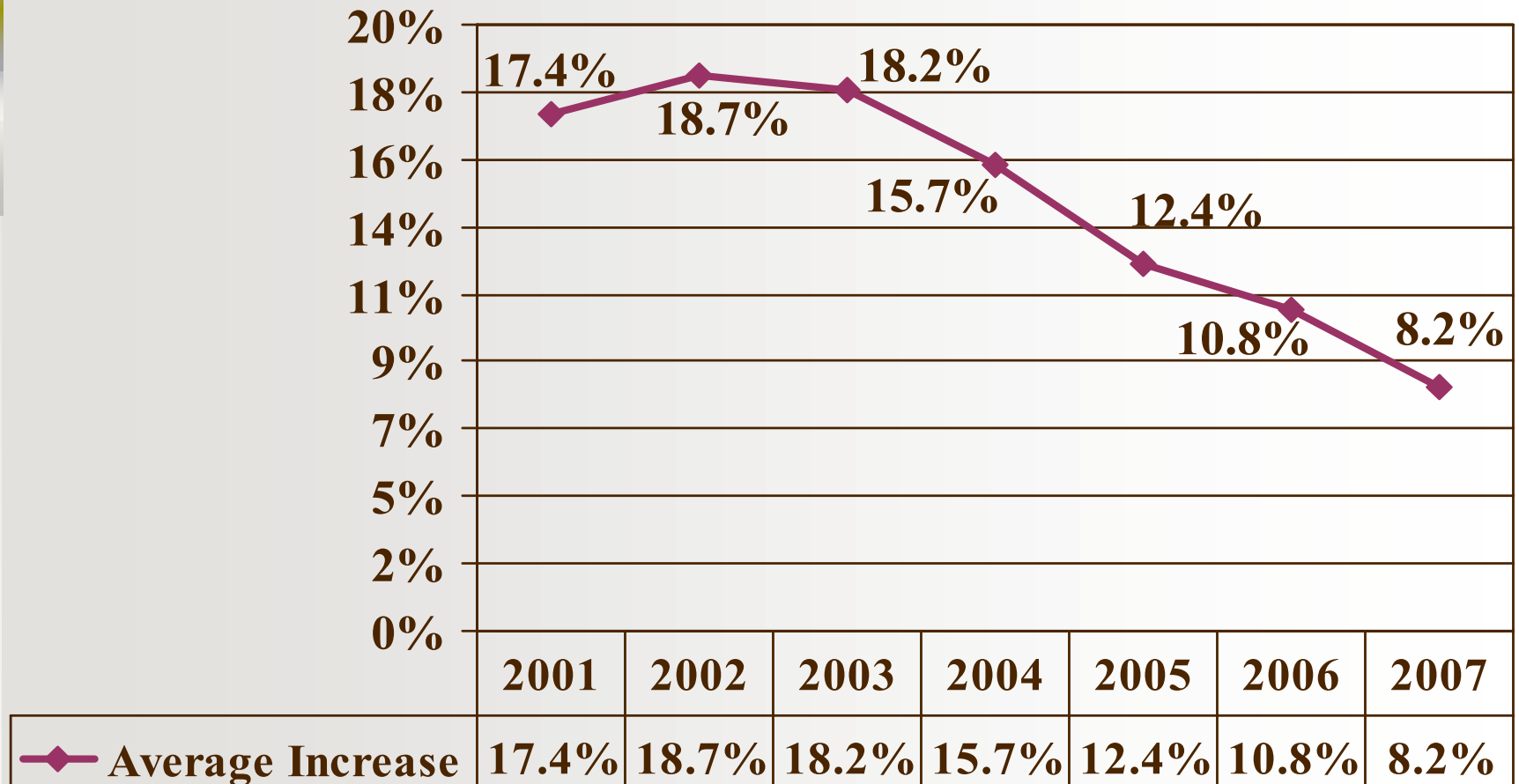
For All
Employers,
Regardless of
Rate Direction

<i>Firm Size (Employees)</i>	<i>Average % Increase - 2007</i>
10-19	12.3%
20-49	9.5%
50-249	5.8%
250-999	8.5%
1000+	9.5%
Overall	8.2%

Rate Increases
By Employer
Location and
Size

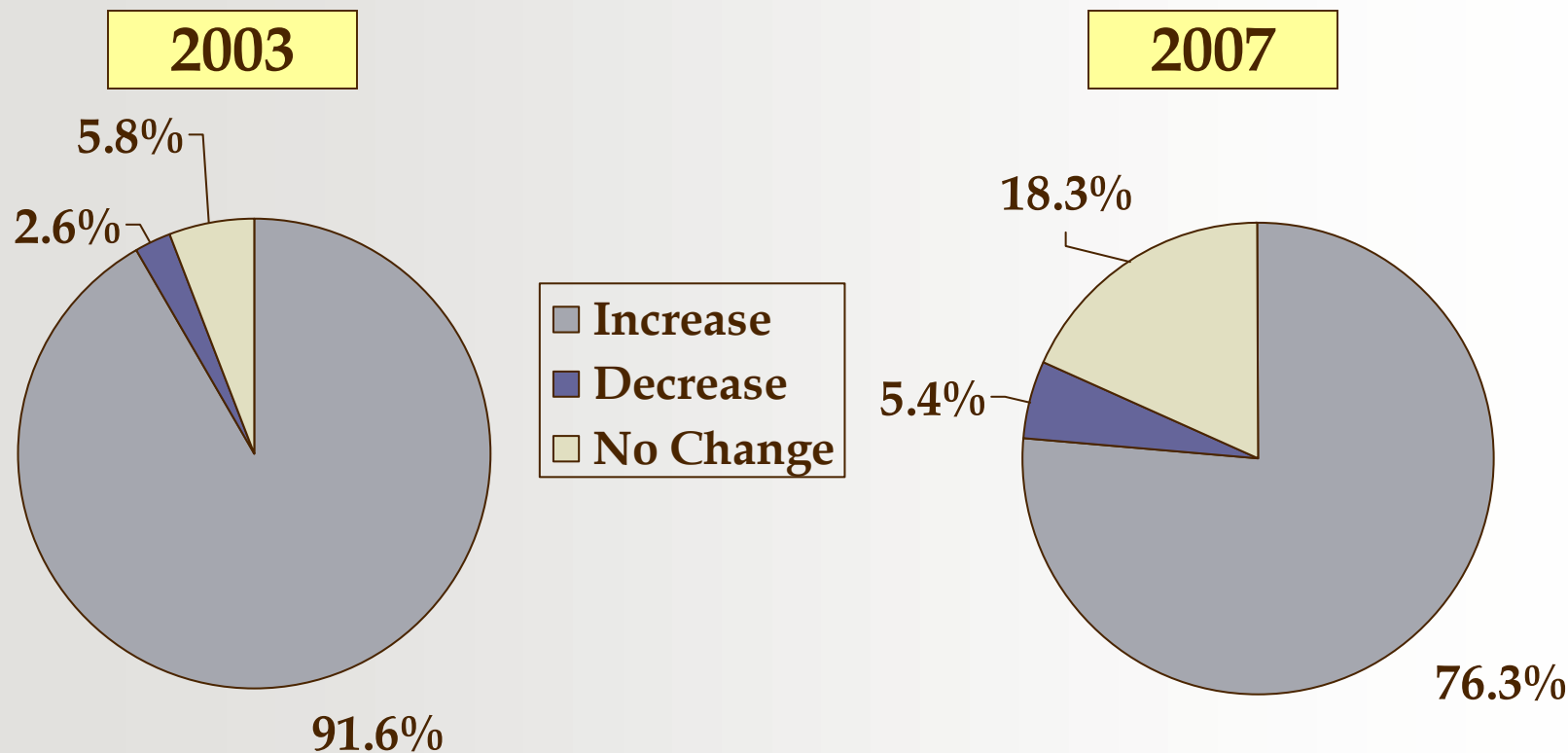


Average Health Insurance Rate Increases 2001 to 2007



✦ 2005 - 2007 Include Employers Over 10 in Size
(2001 to 2004 Include Employers Over 20)

Average Health Insurance Rate Changes 2003 vs. 2007

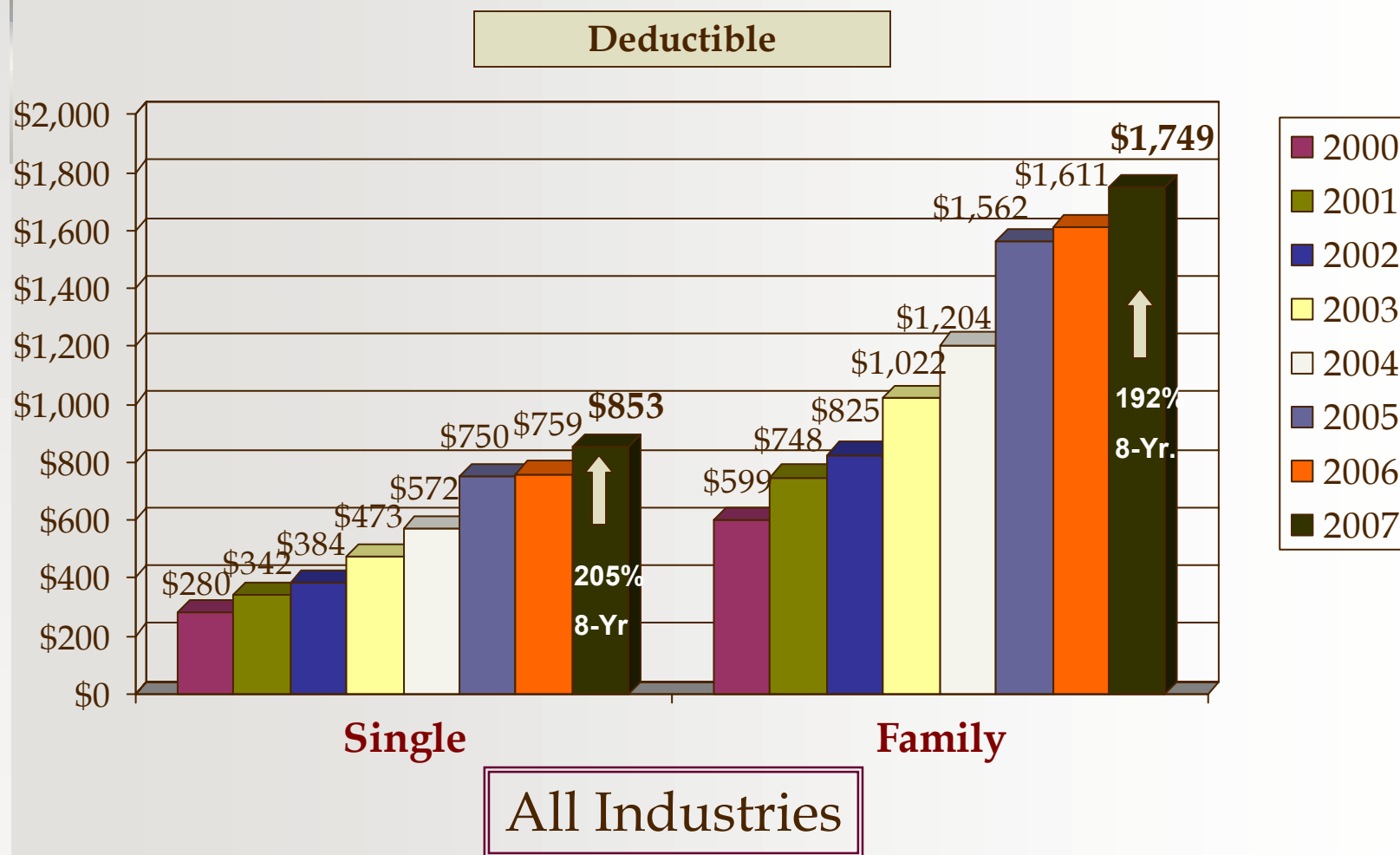




Employer Responses to Health Insurance Rate Increases Reported in 2007

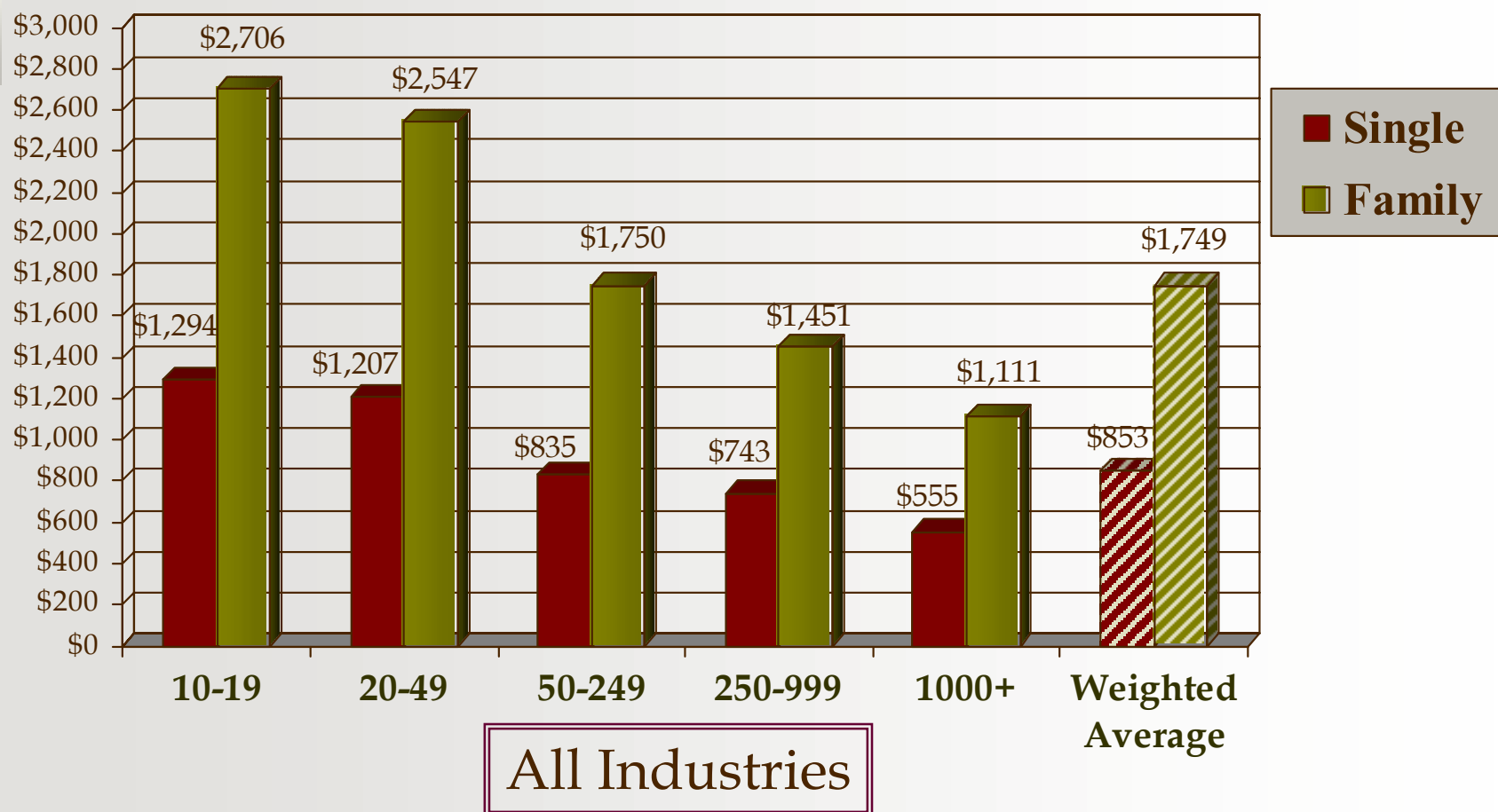
2007 % of Iowa Employers	Response (What they <i>did</i> do...)
48%	Increased Employee Contributions (through payroll deductions)
26%	Raised Deductibles
19%	Increased Office Copays
17%	Raised Out-Of-Pocket Maximums
17%	Increased Prescription Drug Copays
14%	Changed Insurance Companies
14%	Organization Absorbed the Entire Cost Increase
6%	Passed All Increased Costs On To Employees
4%	Reduced Pay Raises or Bonuses
3%	Began Surcharge for Employees Who Smoke
2%	Changed from a PPO to an HMO/POS Product
2%	Offered Internet Site With Personalized Health Information
2%	Began Surcharge for Covered Spouses
2%	Made Available Medical Provider Cost and Quality Info Via Internet
1%	Hired Fewer Newer Employees
1%	Postponed Capital Improvements
1%	Released Employee(s)
0%	Stopped Providing Health Insurance Coverage
24%	Other

Medical Plan In Network Deductible (PPO)



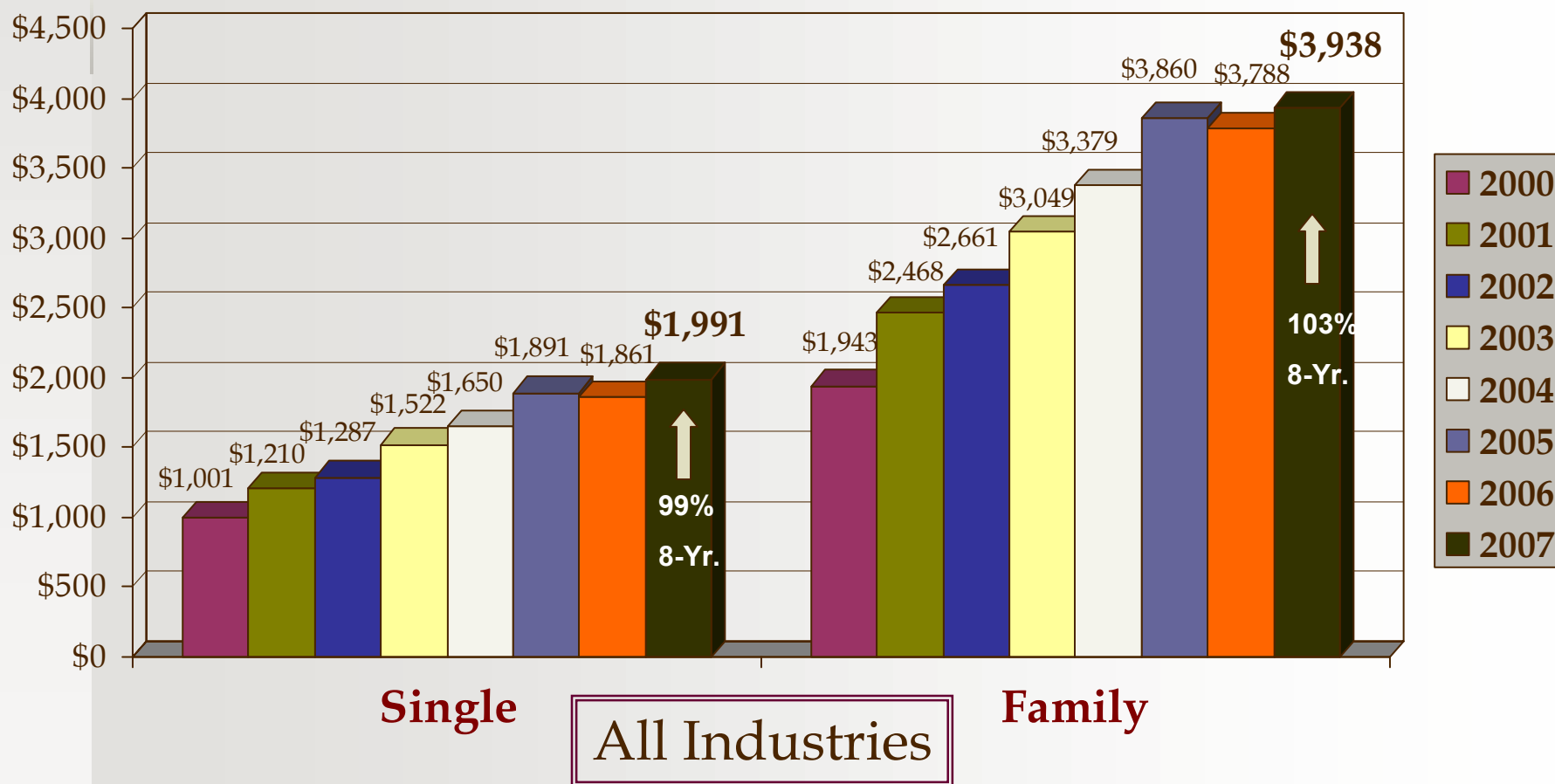
Medical Plan In Network Deductible (PPO)

Deductible By Employer Size in 2007



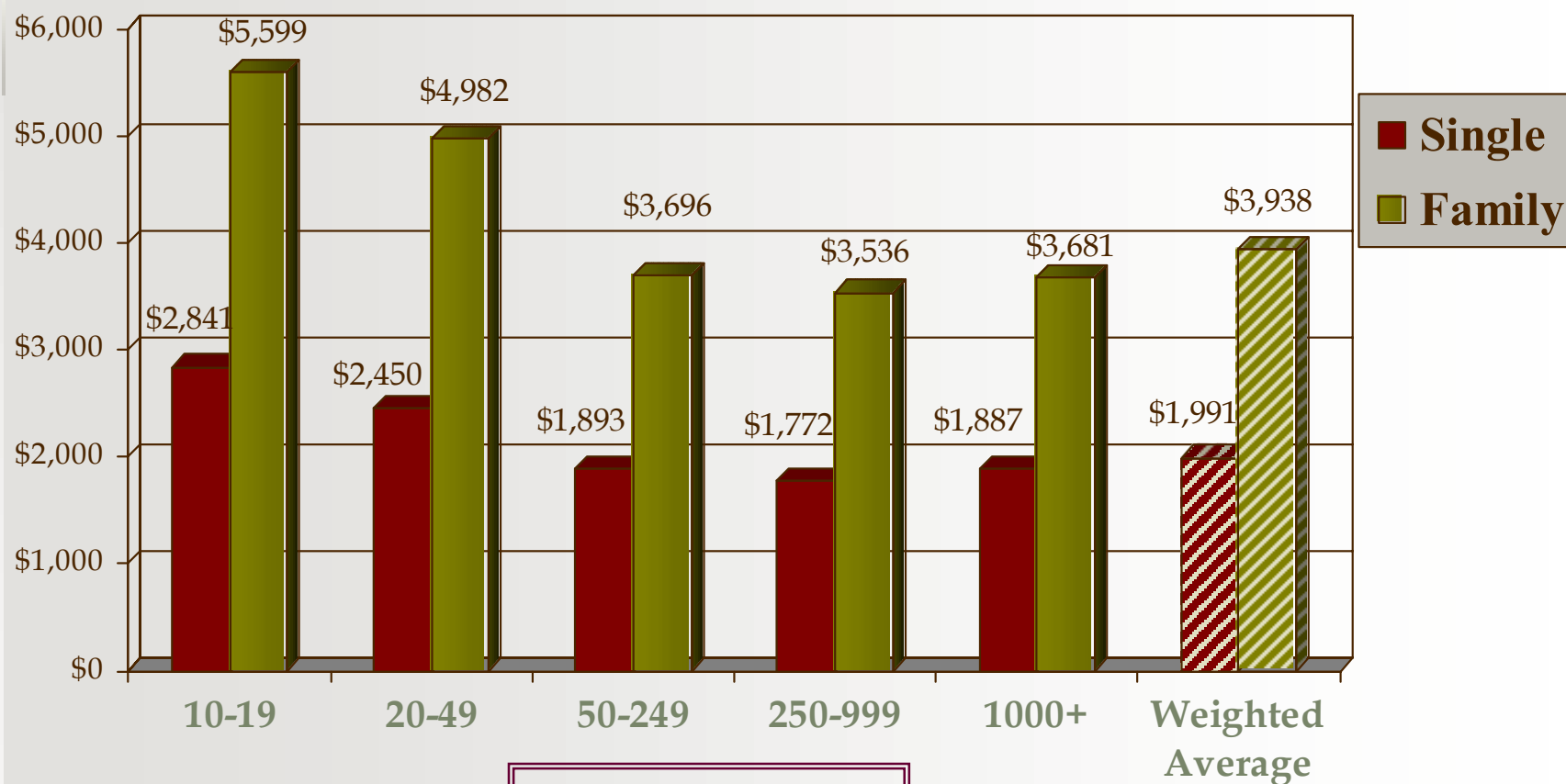
Medical Plan In Network Out-of-Pocket Maximum (PPO)

Out-of-Pocket Maximum



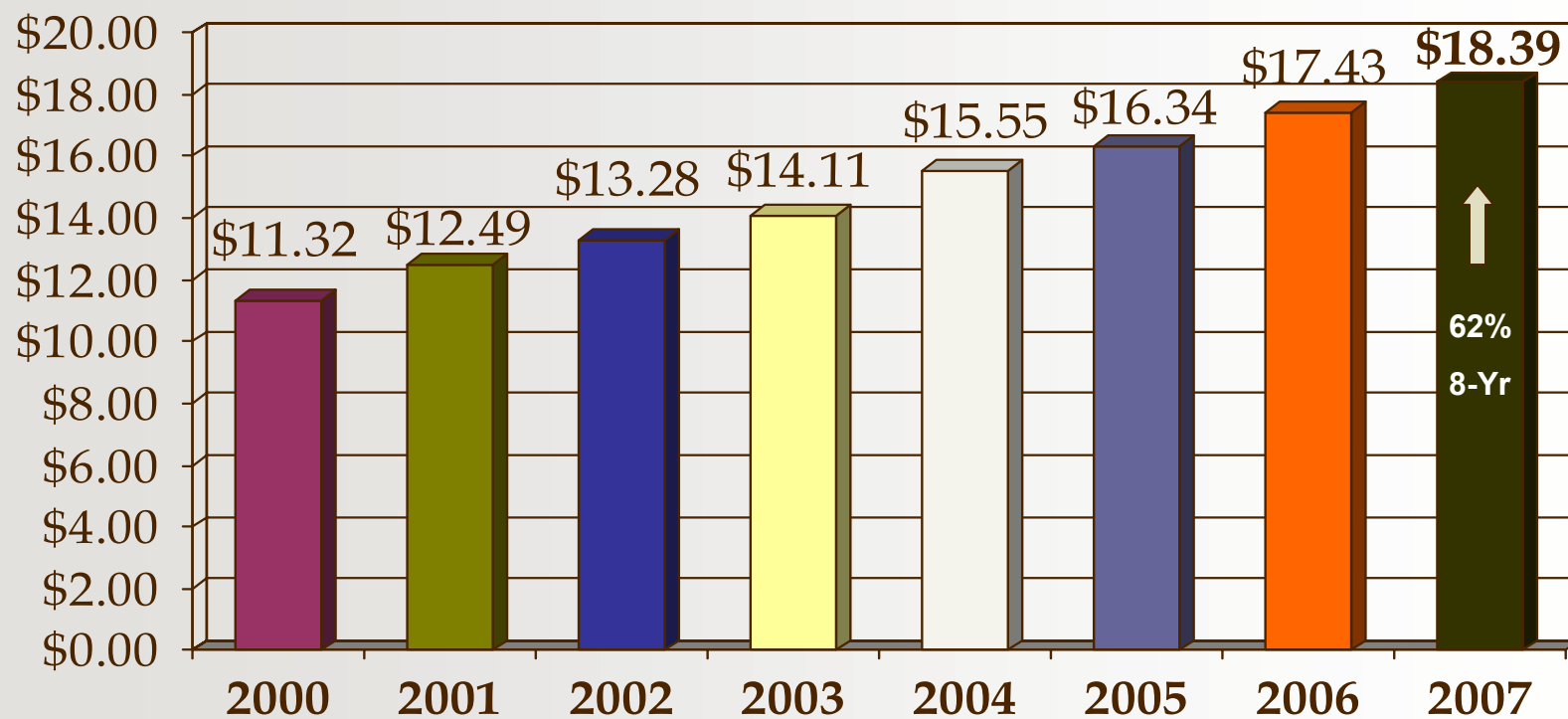
Medical Plan In Network Out-of-Pocket Maximum (PPO)

Out-of-Pocket Maximum by Employer Size in 2007



All Industries

Medical Plan Office Copays (PPO)



All Industries

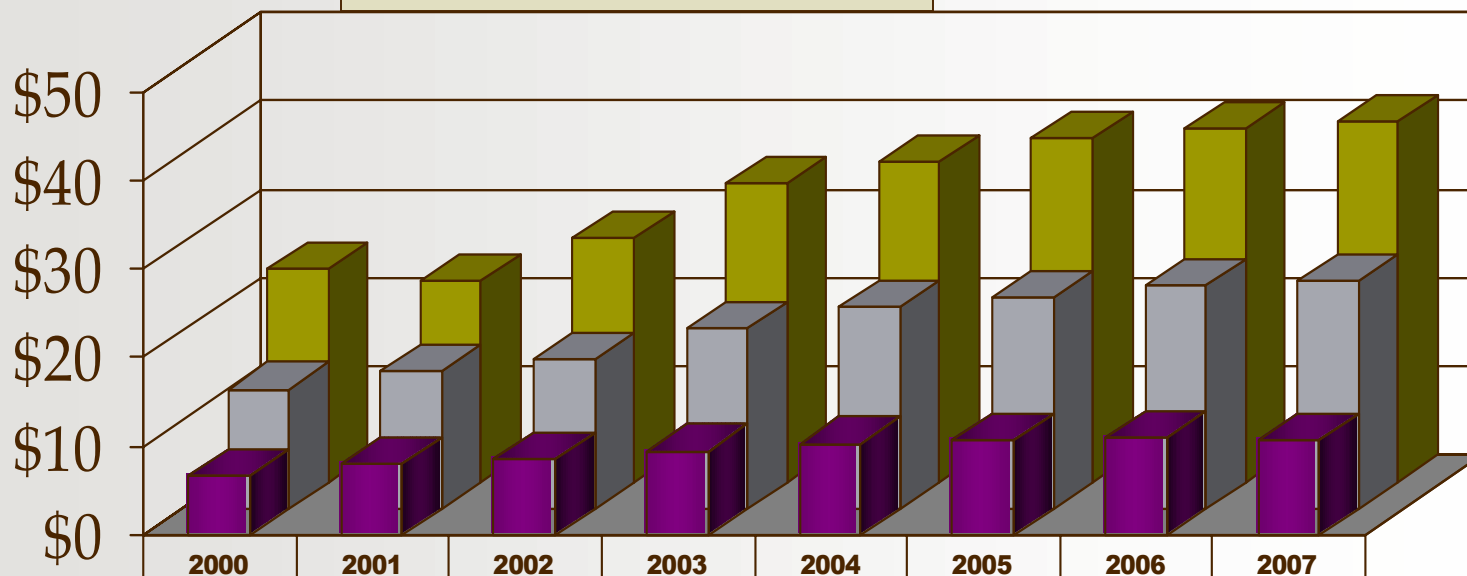
Medical Plan RX Copays (PPO)

8 Year Copay Increases

Generic : 63%

Preferred, Brand Name: 87%

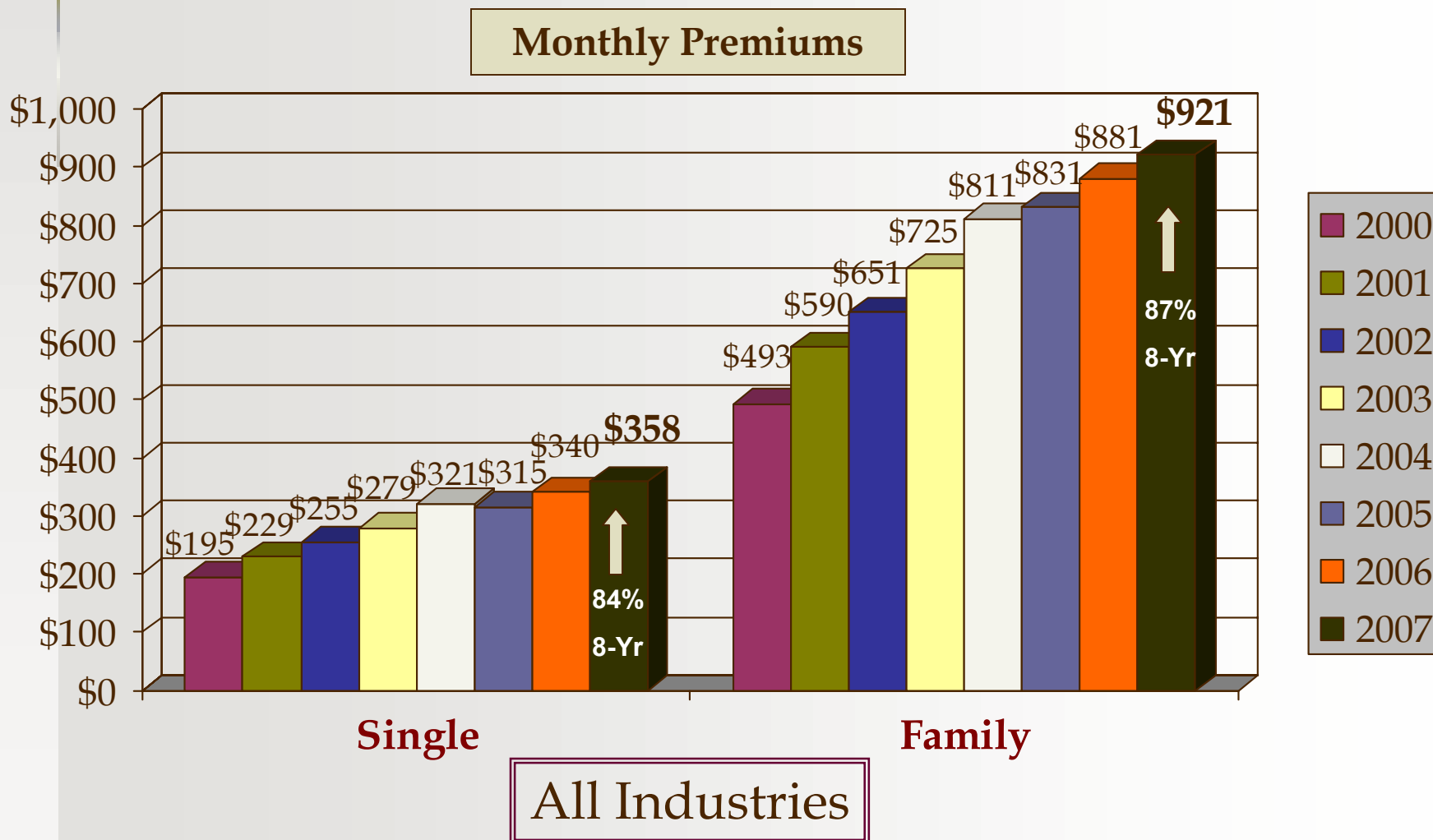
Non-Preferred, Brand Name: 70%



Generic	2000	2001	2002	2003	2004	2005	2006	2007
Preferred, Brand Name	\$7	\$8	\$8	\$9	\$10	\$11	\$11	\$11
Non-Preferred, Brand Name	\$13	\$15	\$17	\$20	\$23	\$24	\$25	\$26
	\$24	\$23	\$27	\$34	\$36	\$39	\$40	\$41

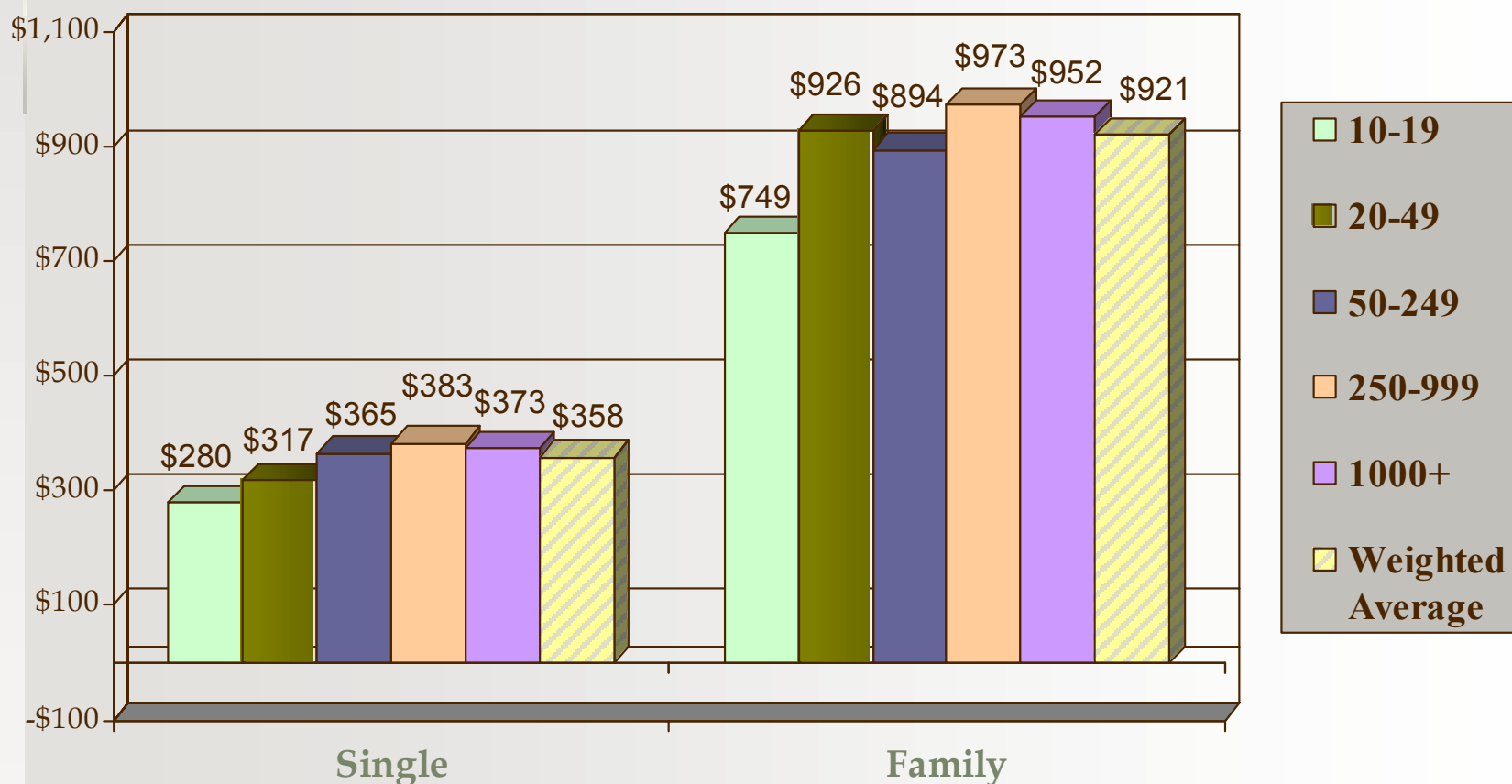
All Industries

Medical Plan Monthly Premiums (PPO)



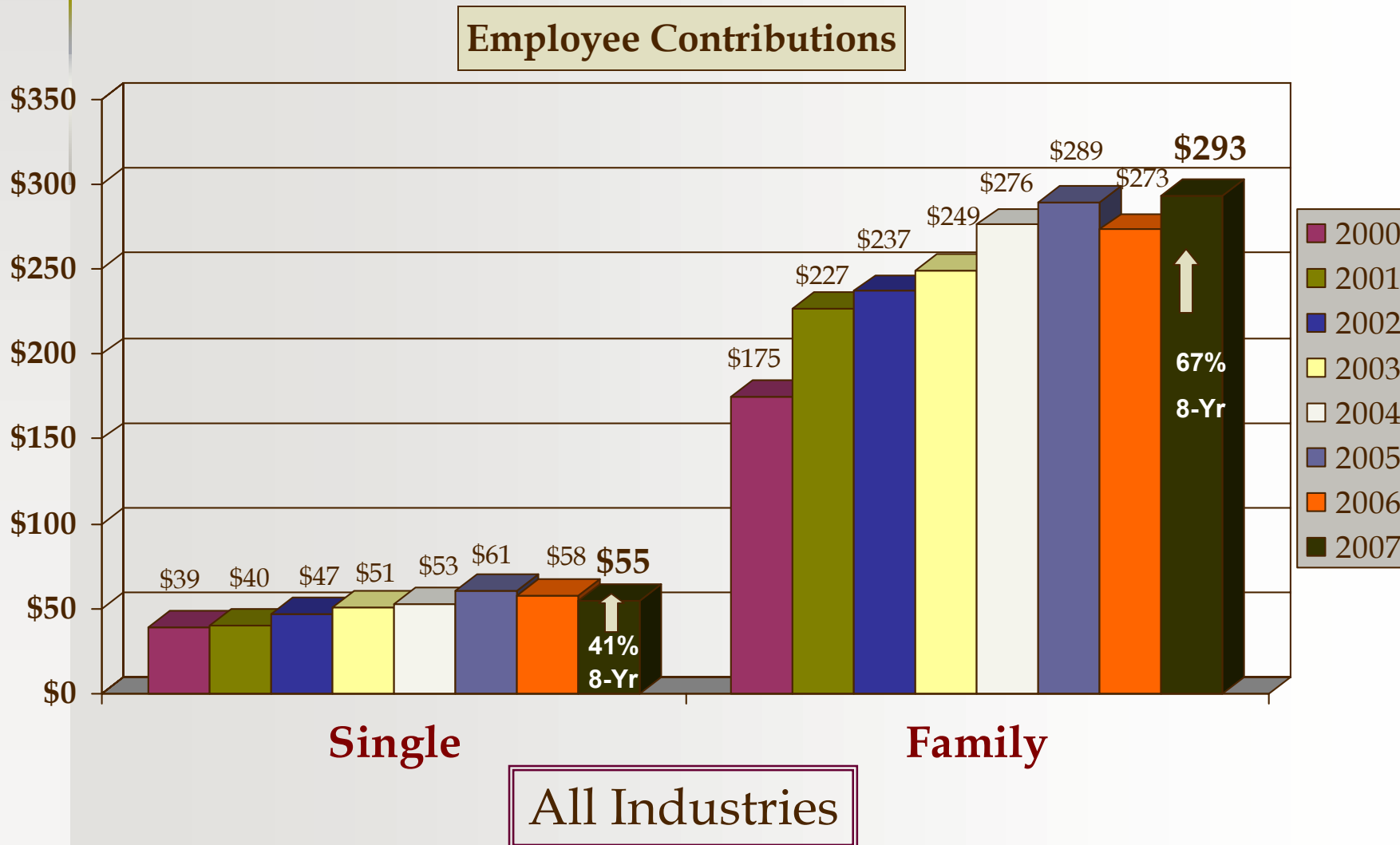
Medical Plan Monthly Premiums (PPO)

Monthly Premiums by Employer Size in 2007



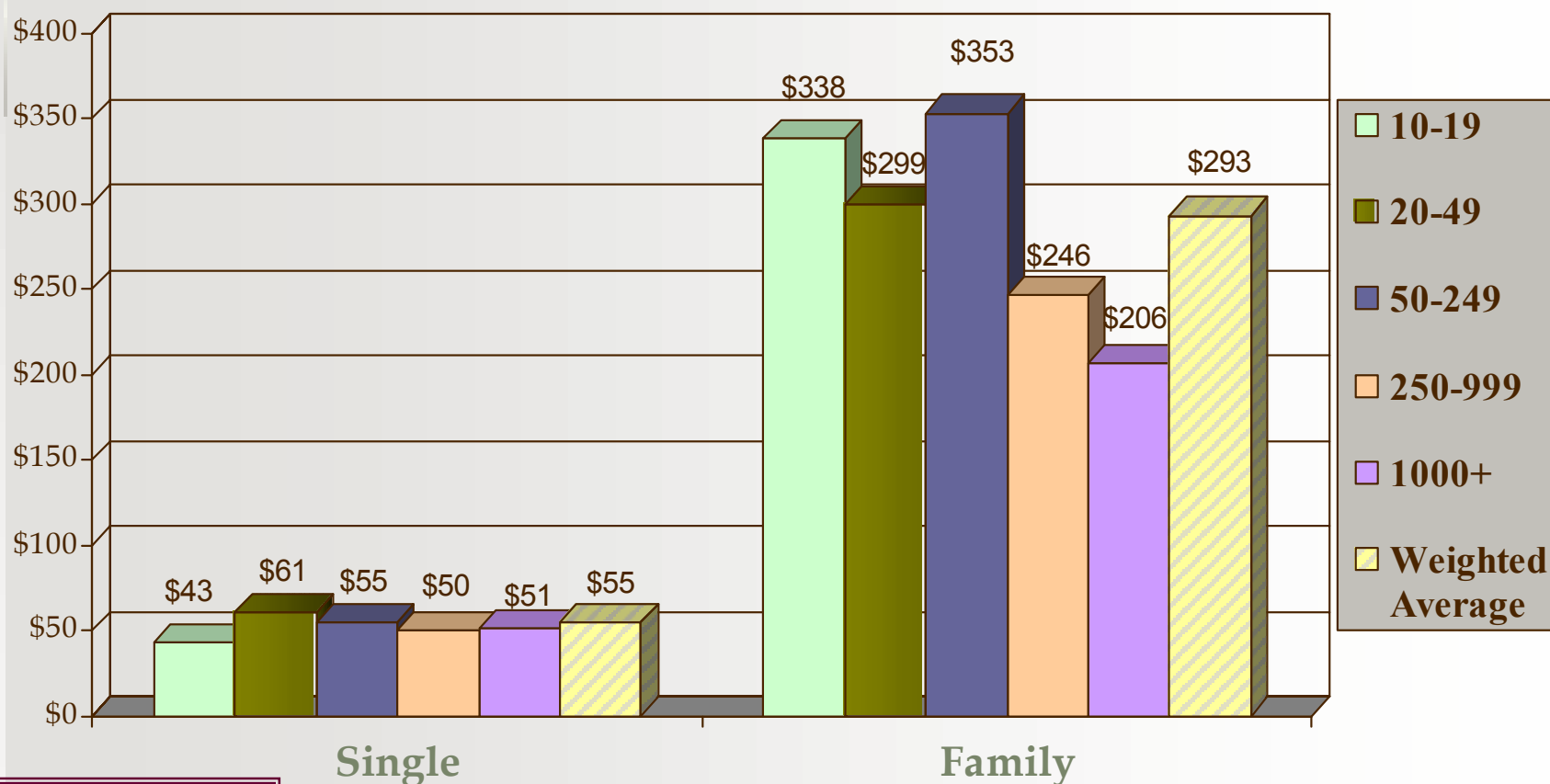
All Industries

Medical Plan Employee Contributions (PPO)



Medical Plan Employee Contributions (PPO)

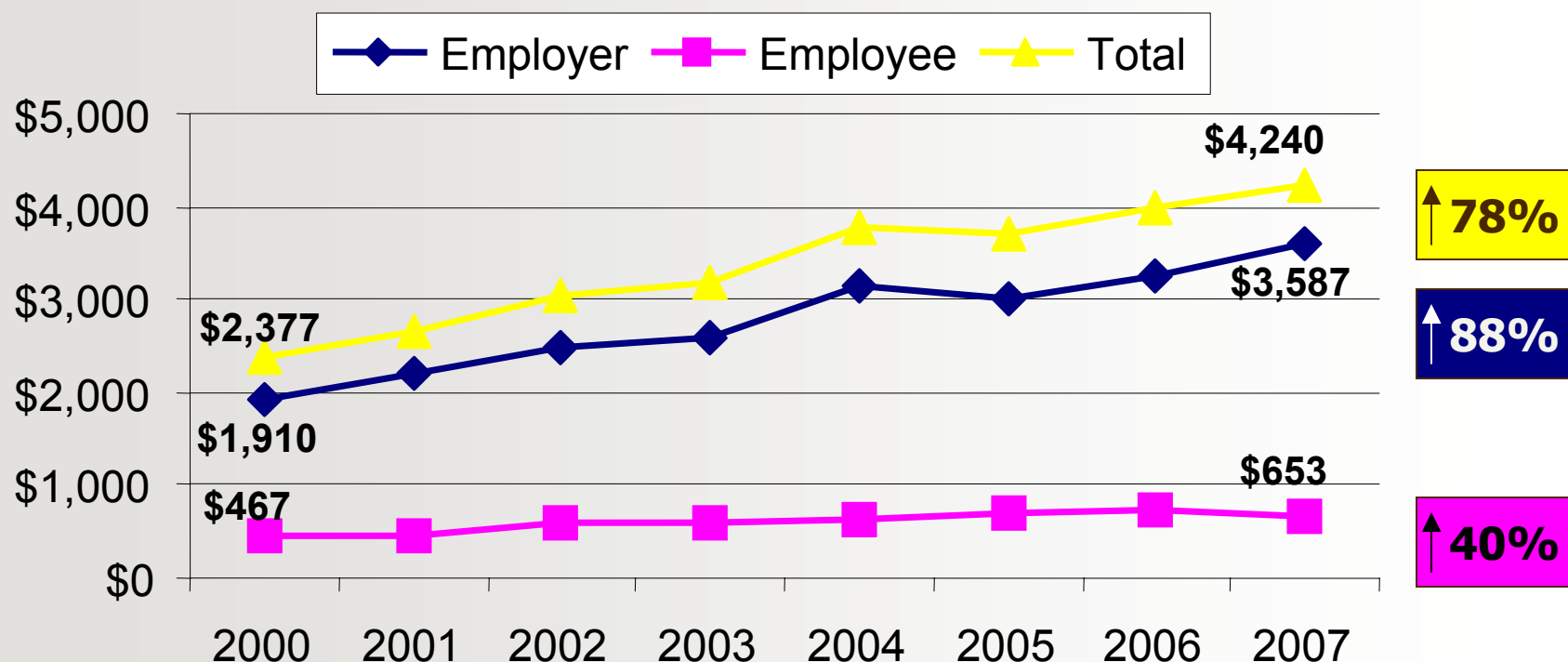
Employee Contributions by Employer Size in 2007



All Industries

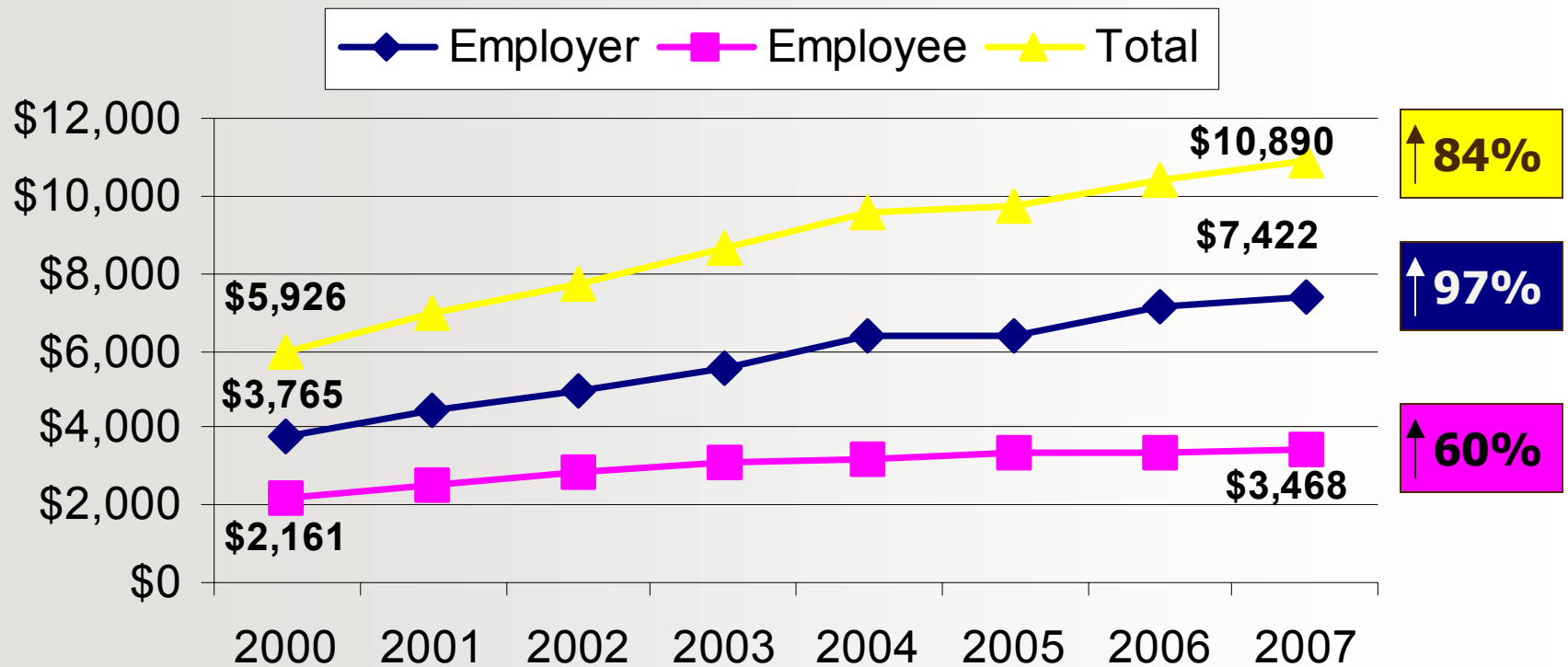
All Medical Plans Combined

History of Annual Single Medical Contributions



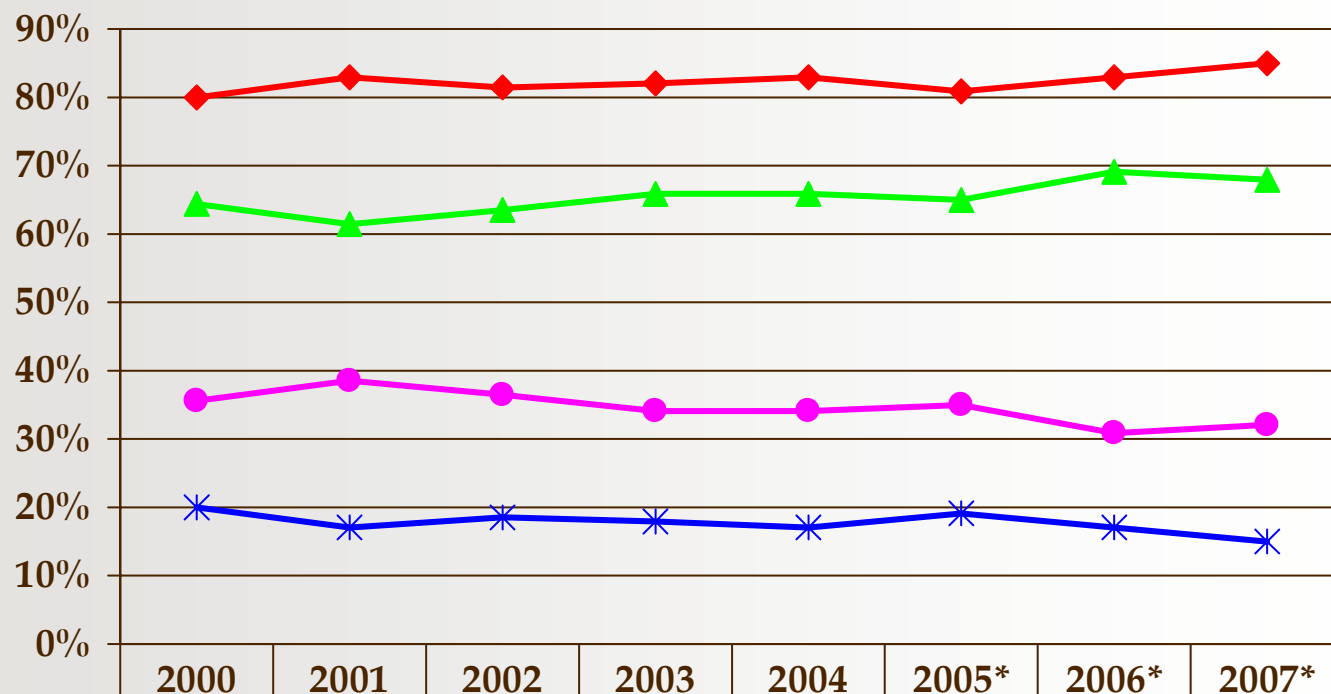
All Medical Plans Combined

History of Annual Family Medical Contributions



Medical Plan PPO Plan Contributions

Percentage of Monthly Premium Paid by Employer and Employee



Employer	ER Single	80.0%	83.0%	81.6%	82.0%	83.0%	81.0%	83.0%	85.0%
	ER Family	64.5%	61.5%	63.6%	66.0%	66.0%	65.0%	69.0%	68.0%
Employee	EE Single	20.0%	17.0%	18.4%	18.0%	17.0%	19.0%	17.0%	15.0%
	EE Family	35.5%	38.5%	36.4%	34.0%	34.0%	35.0%	31.0%	32.0%

*2005,2006 & 2007 includes all employers over 10 employees in size.

Health & Wellness Initiatives

Percentage of Employers Offering or Considering Wellness
and/or Health Initiative Programs

	Currently Offer	Considering in Next 12 Months	Will <u>Not</u> Offer in the Next 12 Months
Medical Information (Website, Newsletter, etc.)	57%	12%	17%
Blood Pressure Screening	32%	9%	29%
Cholesterol Screening	31%	9%	31%
Health Club Discount/Reimbursement	29%	4%	35%
Health Risk Assessment Program	23%	13%	32%
Smoking Cessation Programs	24%	12%	33%
Chronic Disease Management Programs	26%	8%	32%
Weight Control Programs	19%	10%	36%

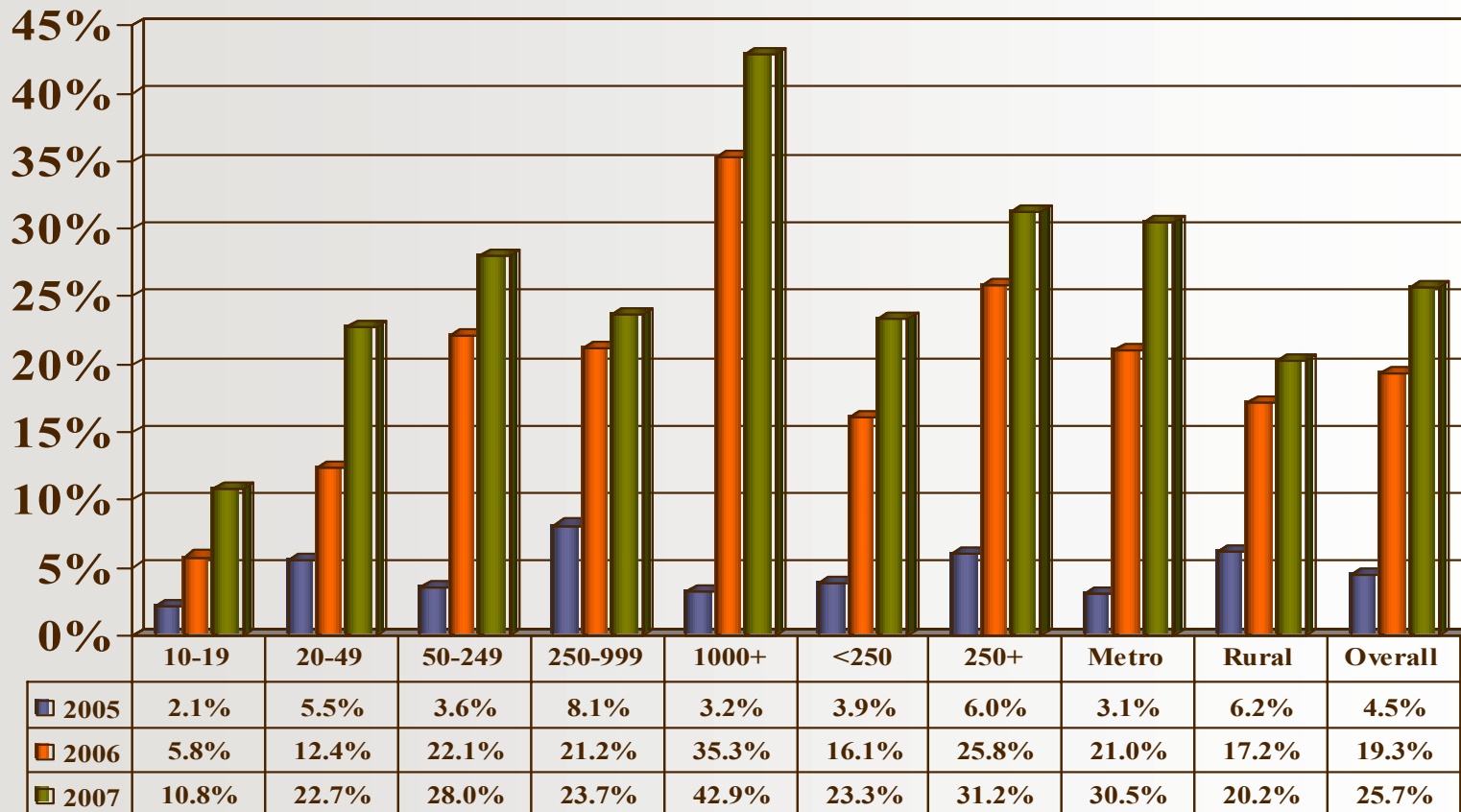
Consumer-Driven Health Plans

Consumer-Driven Health Plan (CDHP)

Core CDHP features:

- Consumers have more control over spending of their healthcare dollars.
- Higher deductible is often combined with a tax-free personal health spending account.
- Personal health spending accounts include health reimbursement arrangements (HRAs) or health savings accounts (HSAs)

Consumer Driven Health Care Percentage of Employers Offering an HRA or HSA

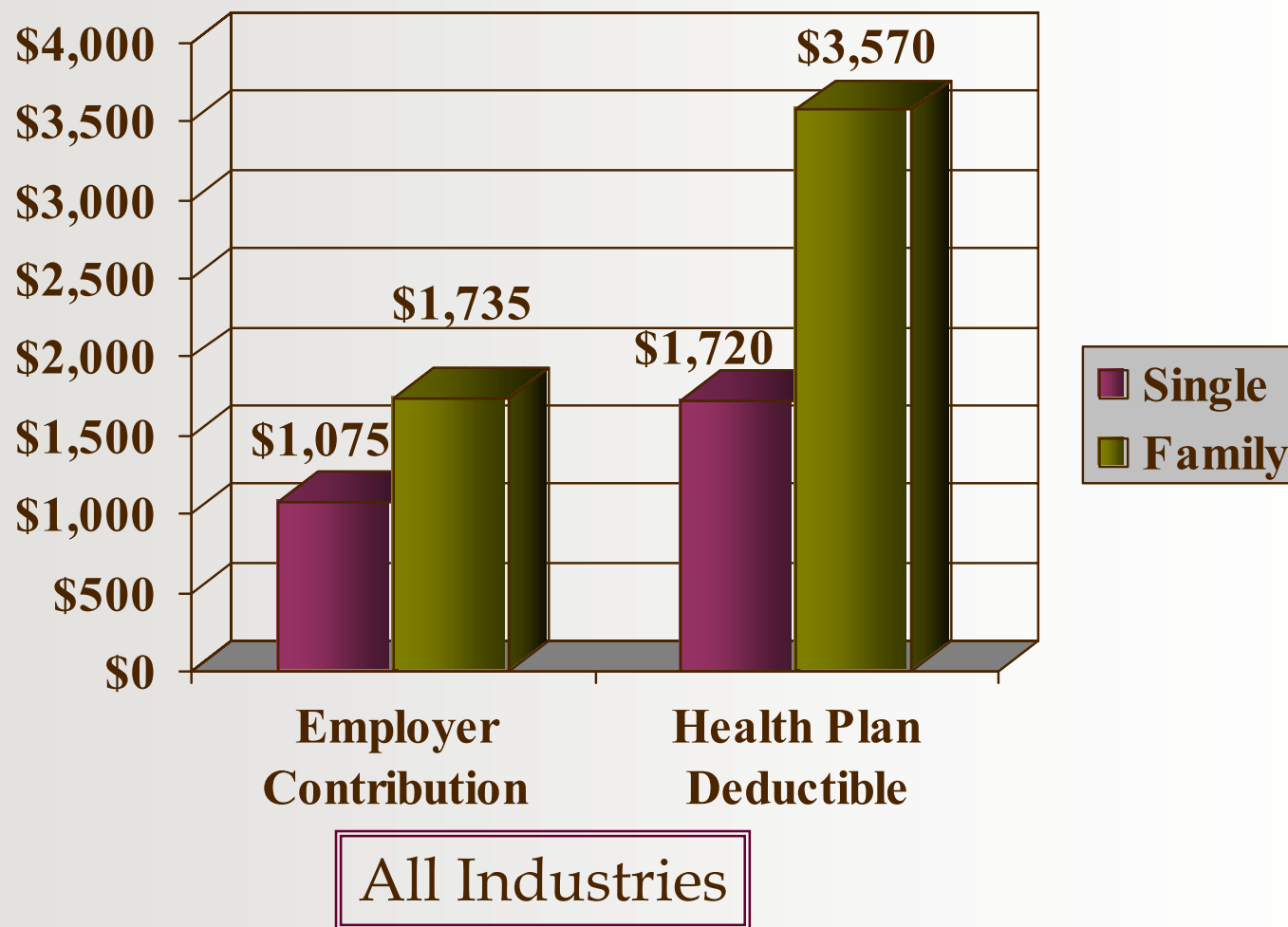


Employer Size

All Industries

Consumer Driven Health Plans

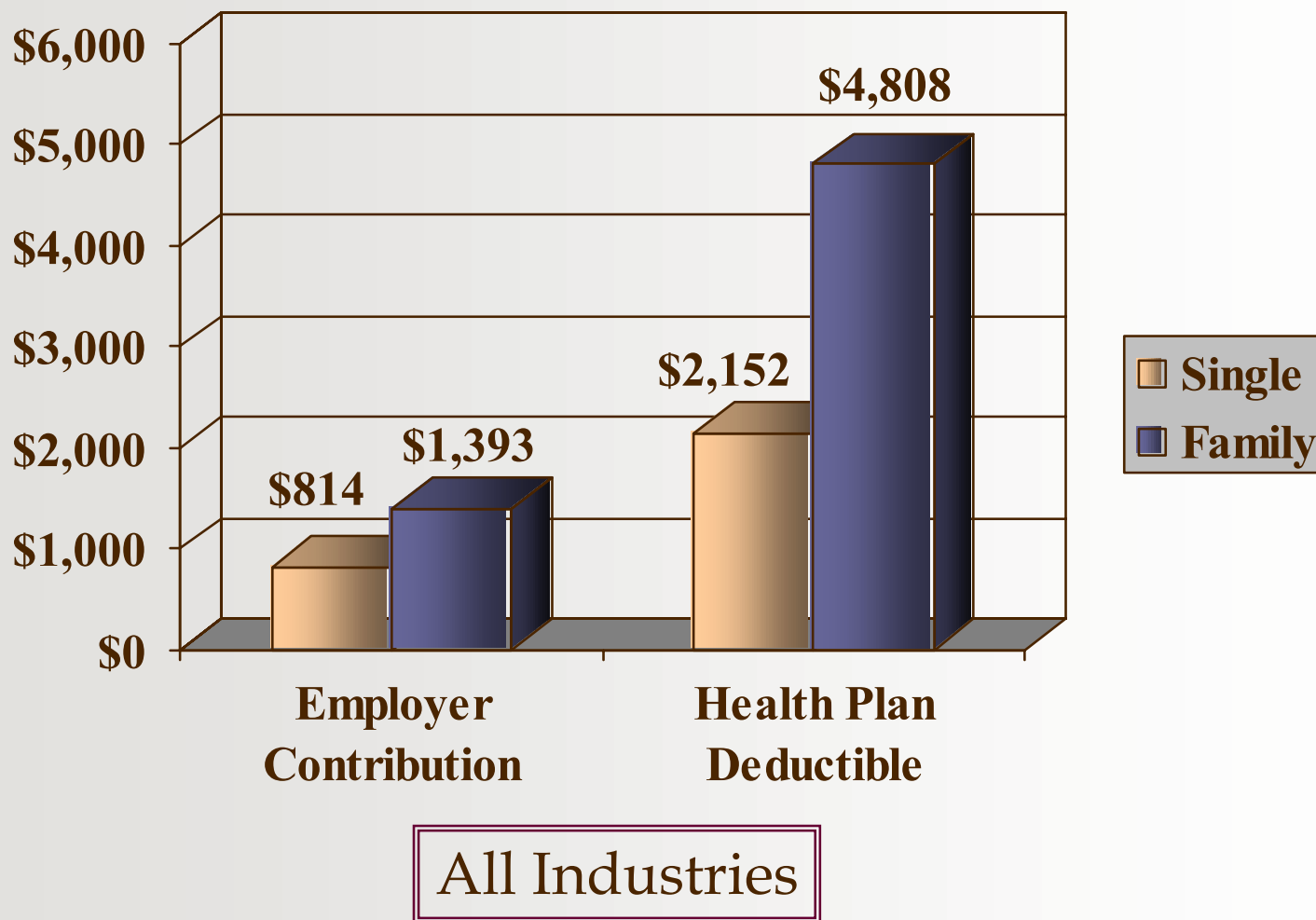
2007 HRA Plan Components



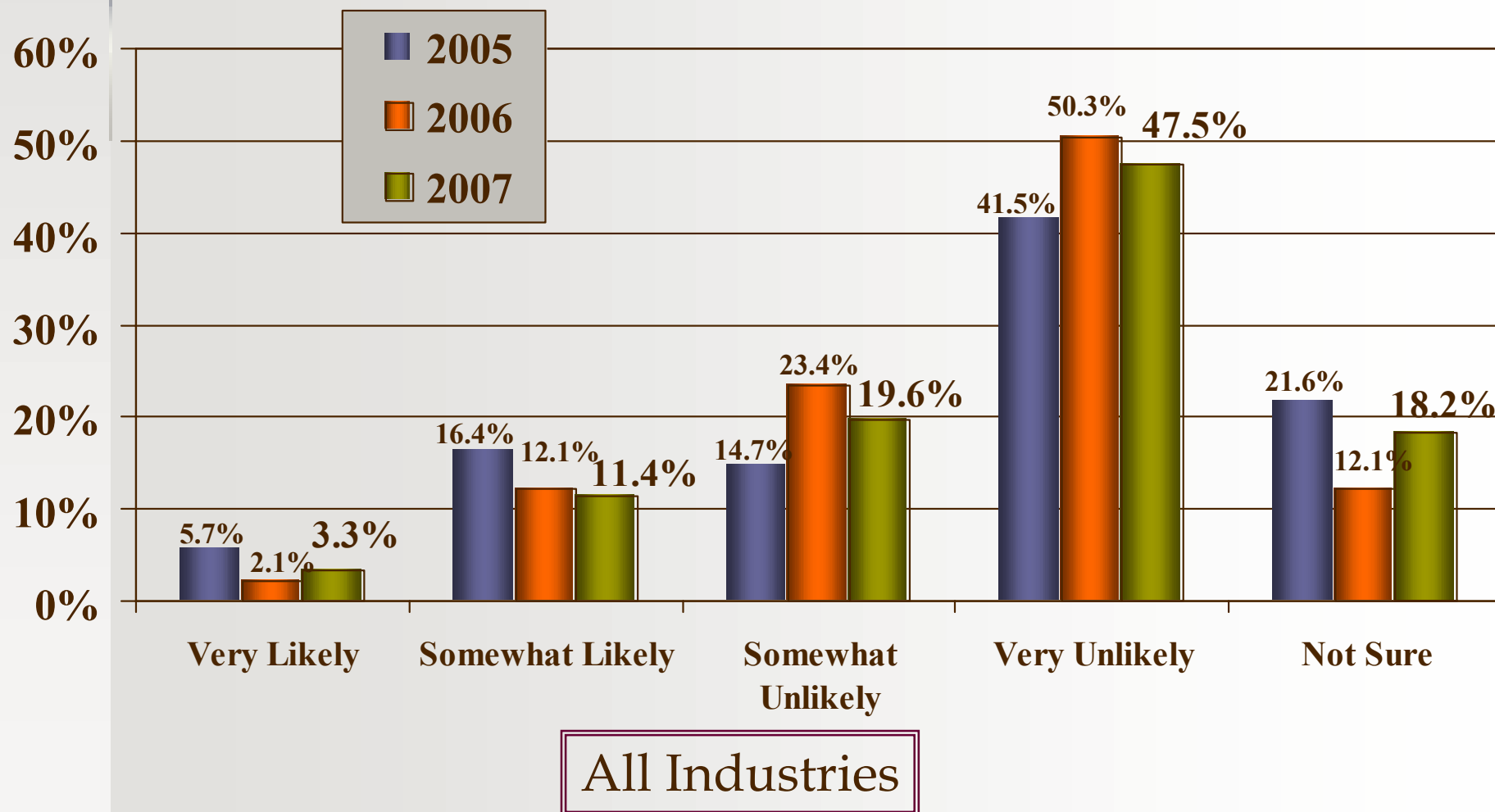
Consumer Driven Health Plans

2007 HSA Plan Components

57% of Employers Jointly Fund the HSA with Employees
38% of Employers Require Employees to Fund the HSA
5% of Employers Fully Fund the HSA



Consumer Driven Health Plans (CDHP) Likelihood of Changing to a CDHP within 12 Months



Questions?

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(800) 821-5463

or

David@dplaconsulting.com